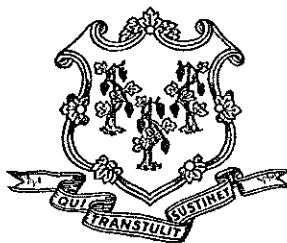


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State of Connecticut

SENATE

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February 17, 2015

DEPUTY PRESIDENT PRO TEMPORE

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Program Review &

Investigations Committee

Good morning chairmen Winfield and Tercyak, ranking members Hwang and Rutigliano and the other honorable members of the Labor and Public Employees Committee.

My name is Eric Coleman, and I serve as the state senator of the second district which includes the City of Hartford and the towns of Bloomfield and Windsor.

I appreciate the opportunity to offer my testimony in support of Proposed S.B. 830, An Act Establishing a Program to Assist Minority-Owned Businesses in Obtaining Performance Bonds on Construction Contracts.

For as long as I have been a member of the Connecticut General Assembly, the inability to obtain bonding has served as a significant barrier for Minority-Owned Businesses (MBEs) seeking to participate on construction projects, including state construction projects.

Over the years, it has been determined that there are many reasons why even the most creditworthy, reputable, experienced and skilled MBEs have been unable to obtain bonding. Not the least of these reasons include that many surety companies claim that they must engage in the same level of underwriting activity to issue a \$2 million bond as they do in order to issue a \$200 million bond. Invariably, such companies opt to write the larger bonds and earn the corresponding larger premium. Consequently, oftentimes many MBEs and Small Business Enterprises (SBEs) are literally left on the sidelines when it comes to construction projects.

The unfortunate consequence of the inability to obtain bonding and the resulting lack of the opportunity to compete is that many MBEs and SBEs never get the opportunity to gain the necessary experience that will enable them to eventually compete for the larger contracts. Accordingly, those same contractors never get the chance to grow and expand and to provide employment and training opportunities to those who reside in the communities where they are located. There is an adverse impact to the economic health and vibrancy of many communities because of what many small construction contractors are not able to do for those communities in terms of employment, training, payment of taxes, charitable giving and other social responsibility activities.

This bill is intended to address this long-standing problem by creating an entity specifically designed to accommodate the bonding needs of reputable and worthy MBEs. I urge you to grant this bill your most favorable consideration. Thank you again for your time and attention to this communication.